Manitoba

Annual Report 1987 - 88

Business Development and Tourism

90-00813/

Minister of
Business Development
and Tourism

Winnipeg, Manitoba, CANADA
R3C 0V8

His Honour George Johnson
Lieutenant-Governor of the Province of Manitoba
Winnipeg, Manitoba

May It Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Annual Report of the Department of Business Development and Tourism for the period beginning April 01, 1987 and ending March 31, 1988.

Effective August 1, 1988, the Department of Business Development and Tourism was amalgamated with the Department of Industry, Trade and Technology to create the new Department of Industry, Trade and Tourism.

Respectfully submitted,

J.A. Ernst
Minister
Manitoba Business Development
and Tourism

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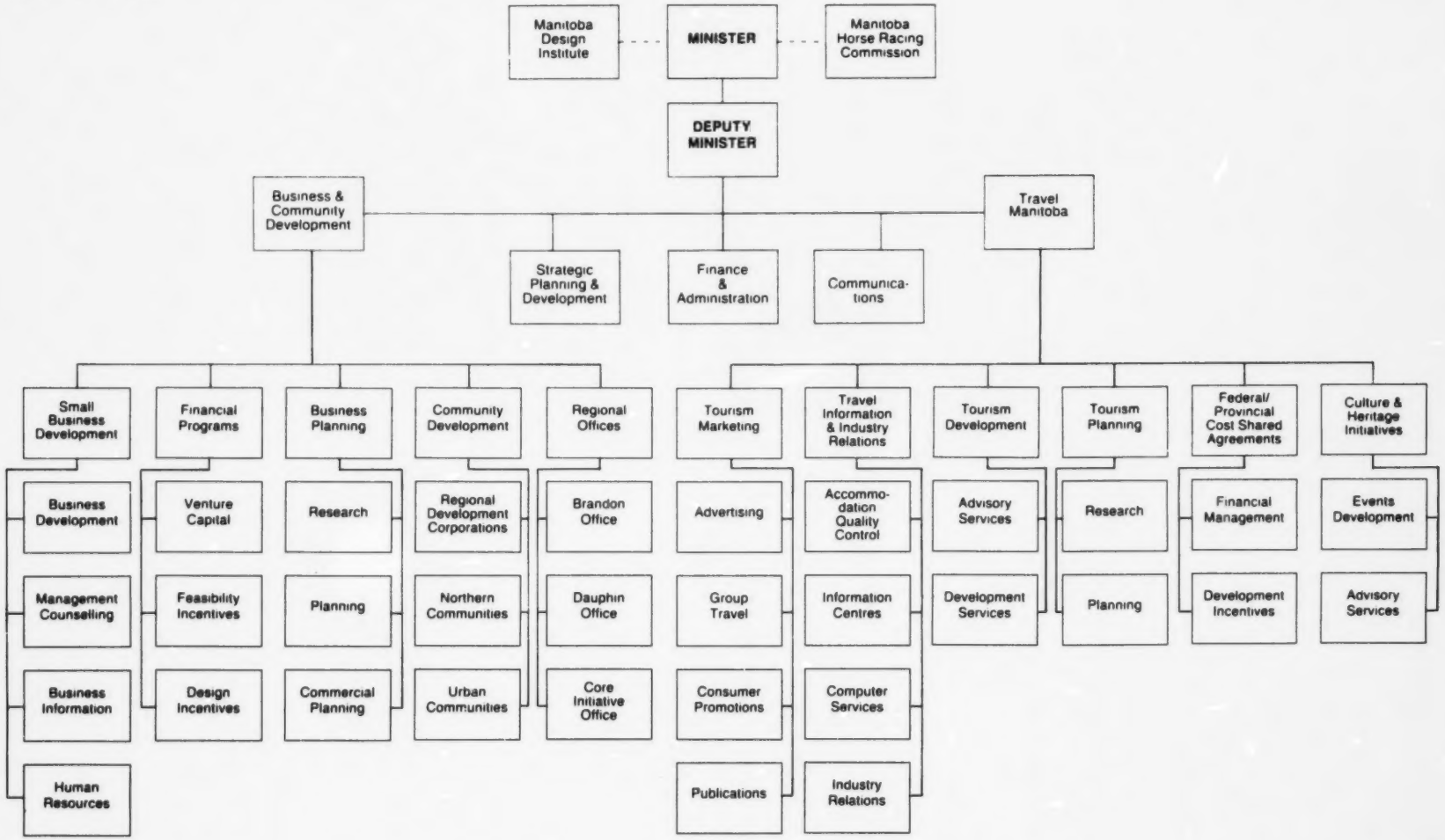
Organization Chart — Manitoba Business Development and Tourism — 1987-88

Reporting to the Minister of Business Development and Tourism
March 31, 1988



Department Overview

During the fiscal year 1987/88, the Department of Business Development and Tourism continued its services to business and the provision of programs, designed to assist Manitoba business to expand their operations and to increase their employment. The Department also expanded its efforts to encourage and assist regions and communities in rural Manitoba to broaden their involvement in business.

The importance of small business to the Manitoba economy cannot be overstated. In 1981, there were 28,444 firms in Manitoba with less than 50 employees. By the end of July, 1987, this number had increased to 42,757. In addition, over 97% of all establishments in the Province are firms with less than 50 employees. Of this 97%, 95.9% represent establishments with less than 20 employees.

The challenge of this Department is to fashion an assistance effort which will compliment the expansion of entrepreneurial activity, and encourage the success of these operations.

Three programs of assistance, designed to help both new and existing business include the Manufacturing Adaptation Program, to encourage both new and existing small Manitoba manufacturing businesses to adapt advanced technology to their operations; the Venture Capital Program, to assist small and medium-sized businesses to obtain equity capital for new start-ups, expansions and working capital; and the Feasibility Assistance for Small Manufacturers Program to assist businesses to obtain professional consulting service to carry out feasibility studies.

The Manitoba Marketing Network Inc. also was active in providing practical marketing help to small business. The network is a private/public partnership between members of the business community and the Department.

In addition to these special programs, the Department provided training, financial assistance and consultative services to Manitobans throughout the Province. The Regional and Community Development Branch assisted groups and organizations in both urban and rural locations, including community organizations, womens', youth and native groups in developing economic growth and job opportunities.

Training is important as a means of encouraging economic development. The Department's business development centres in Brandon and Winnipeg continued to provide training programs for both existing and prospective entrepreneurs.

Manitoba is continuing to enjoy a steady growth of its tourism industry, with revenues for 1987 increasing to $698 million. It is anticipated that this figure will push well beyond the $700 million figure in 1988.

A significant influence in the growth of the tourism industry is the five year Canada-Manitoba Tourism Development Agreement, which provides an impetus for the development of tourist destination areas and new resort facilities.

Business Development and Tourism will continue to take an active approach in encourageing economic development and diversification and job creation in the province.

Department of Business Development and Tourism

The primary objectives of the Department of Business Development and Tourism during the fiscal year 1987/88 were:

Business and Regional Development

1. To increase the number and quality of new business enterprises in Manitoba.
2. To encourage the expansion of existing small businesses through a variety of assistance programs and support services.

Tourism

1. To increase tourism in Manitoba through an expansion of marketing activities.
2. To carry out development of the tourism industry in Manitoba through assistance provided by the Canada-Manitoba Tourism Development Agreement.

Strategic Planning and Policy Development

The objective of the Strategic Planning and Policy Development section is to advise senior management on policy development initiatives and to provide department-wide co-ordination of the ongoing planning process, thereby ensuring that all branch/sections and resources focus on the achievement of stated department policy aims in the most effective manner possible.

It is the responsibility of the branch to provide strategic planning, policy and program development/analysis along with project development and assessment services to the entire department. The branch also co-ordinates business development and tourism policies through the provision of inter-department liaison in these matters.

1. Planning Process
   Co-ordination of the departmental planning process, including the departmental estimates.
2. Computer Systems
   Rationalized the use of computer applications within the department and provided direction and project support regarding ongoing computer applications to the Business and Regional Development Division.
3. Databases
   Developed and administered a series of small business data bases including Business Names database and developed the Small Business Bulletin, the Federal/Provincial Small Business Data Base Project.
4. Support Services
   The branch co-ordinated and compiled the departmental estimtes, annual reports and ministerial briefing material. As well, it was involved in the information co-ordination of briefing documents for the Minister and Deputy Minister in addressing issues related to the Legislature and Federal/Provincial conferences and working groups.

Finance and Administration

The Department of Industry, Trade & Technology, Finance & Administration Branch provides this service to the Department of Business Development & Tourism.

Finance and Administration provides specialized functions and support in accordance with government policy and regulatory procedures set out by central agencies within the provincial administration.

The main administrative functions are financial management and accounting; personnel; motor vehicle administration; stock control; central registry and filing; central photocopying, and business library. These functions are service oriented with emphasis on response to demand.

Communications

The objective of Communications is to provide the Department of Business Development and Tourism a service to enable the business community to learn of assistance programs.

Communications co-operated with all department branches in supplying a variety of communications requirements, including news releases, articles, information pamphlets, speech assignments and special projects. The section also provided information in response to requests from the business and general public.

Communications also assisted in creating awareness of new business development by providing organization, promotional materials and media contact for plant openings and expansions and new product introductions.

The section assisted in organizing and in providing communications support for Small Business Week in Manitoba in October, 1987.

Business and Regional Development

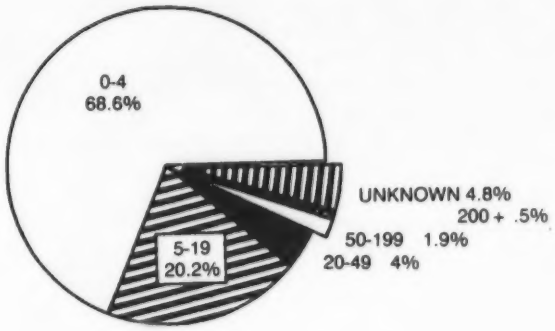
The objective of the Business and Regional Development division is to increase the number and quality of new enterprises and expansions and to improve the viability of existing small business operations in Manitoba.

The division assists rural and northern clients, groups and organizations, including special interest and ethnocultural associations, to develop indigenous industrial and commercial projects and opportunities. The programs and services provided by the division are fully integrated and complementary and the total available resources of the division are accessible to the benefit of any specific project or client.

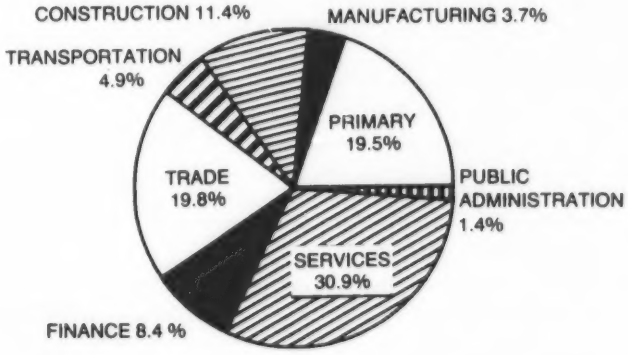
In January, 1988, 45,239 small businesses with less than 50 employees were in operation in Manitoba, compared to 41,379 in January 1987, a 9.3% increase. In terms of its overall significance, small business continues to be almost 97% of the total number of business establishments in the province. The majority of small businesses were based in the service, trade and primary industry sectors.

The accompanying charts show the distribution of all firms in the province by employment size and small businesses by industry sector for year-end 1987.

INDUSTRY STRUCTURE BY EMPLOYMENT SIZE
MANITOBA



DISTRIBUTION BY INDUSTRY
Small Business (0-49 Employees)
MANITOBA



SOURCE: STATISTICS CANADA BUSINESS REGISTER JANUARY 1988

Administration and Planning

The objective of Administration and Planning is to provide the vital logistical support required for the effective implementation of the small business and regional development programs. In addition, Administration and Planning ensures that senior management of business development receives the planning assistance needed to integrate business development activities with other department activities.

Through co-ordination of program implementation for business development, Administration and Planning is called upon to administer special projects, e.g. regulatory review and federal-provincial negotiations of Canada-Manitoba Agreements, along with the Youth Entrepreneurship and Employee Programs.

Youth Entrepreneurship

The purpose of the Youth Entrepreneurship Program is to inform young Manitobans of the career opportunities available to them as small business operators and assist them in starting their own enterprise. The program is financed through the Jobs Fund.

The program is now into its fourth year of operation. The provision of information, about the career option of starting businesses, to students at the Winnipeg and Brandon Career Symposiums was most successful. Some 6,000 brochures were distributed in Winnipeg and 4,000 in Brandon. The interest shown in entrepreneurship by both students and their parents is most encouraging.

Support to the Manitoba School Councillors Association in the form of staff and financial resources to assist with the organization of the Winnipeg and Brandon Career Symposiums also continued.

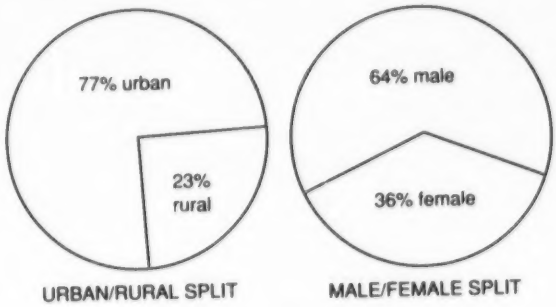
Winnipeg Business Development Centre

The objective of the Winnipeg Business Development Centre is to provide a total "one-stop" resource for small business by providing access to a variety of information, educational, technical and business consulting services.

During the 1987/88 fiscal year, all activities of the Winnipeg Business Development Centre have seen an increase with new initiatives launched in a number of areas.

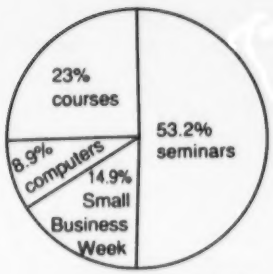
Program Activities:

1. **Small Business Information**
   mail and personal meetings with potential and existing entrepreneurs. A "toll-free hot-line" is also available for rural clients who comprised 23% of all activity in this area. Additionally, females accounted for 36% of those enquiries. A total of 28 self-help booklets in a series entitled "Small Business Management Systems" and another called "Entrepreneur Handbooks" were updated by the for 36% of those enquiries. A total of 28 self-help booklets in a series entitled "Small Business Management Systems" and another called "Entrepreneur' Handbooks" were updated by the Centre during the fiscal year. A three stage self-evaluation entrepreneurial guide to starting a business is also available as part of this program.

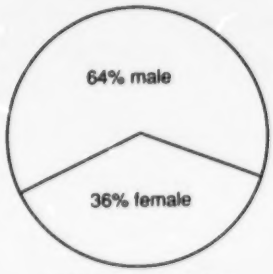


BUSINESS INFORMATION

2. **Management Development and Training**
   This program offers courses and seminars in Winnipeg and communities throughout the province to enable entrepreneurs to develop innovative strategies and improve existing management skills. Specialized classes are also provided to meet the unique needs of women entrepreneurs "to-be" and business people from various ethnic backgrounds. During fiscal year 1987/88 2,331 participants attended 137 courses and seminars. A number of these entrepreneurial development programs were delivered through the Winnipeg School System and other co-operating bodies. An audio-video resource centre has been developed with films and tapes relating to small business management. These resources are available to the public free of charge and includes sixty-one different videos. In fiscal 1987/88, 550 clients made use of this program.



% OF PARTICIPANTS ATTENDING VARIOUS SESSIONS

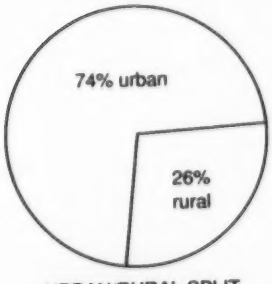


MALE/FEMALE SPLIT

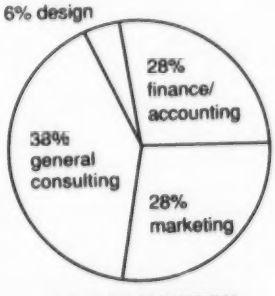
ENTREPRENEURIAL/DEVELOPMENT & TRAINING

3. **Small Business Counselling**
This program provides assistance to businesses in a number of sectors, including retail, service and manufacturing. Services are offered in accounting and financing, marketing, production, general business, "crises-support" and assistance in turn-around situations. The consultants at the Centre provided assistance to 840 Winnipeg clients and 295 rural clients during the fiscal year.

The Rural Business Counselling Initiative now a full fledged program of the Centre was delivered in Lac du Bonnet and Swan River with 17 and 28 clients respectively. Four communities are scheduled to receive this service in 1988/89.



URBAN/RURAL SPLIT



SPLIT BY FUNCTION

BUSINESS COUNSELLING

The Counselling Assistance to Small Enterprise (CASE) assisted 25 clients in rural Manitoba by cost-sharing consulting fees.

In addition, the Master of Business Administration (MBA) Student Consulting Program assisted 14 small business clients during the summer of 1987.

4. **Manitoba Design Institute**
The activities of the MDI were delivered through the W.B.D.C. The MDI's Annual Report is included in this publication.

5. **Small Business Week**
This major initiative co-sponsored by the Department, the Federal Business Development Bank and the Manitoba and Winnipeg Chambers of Commerce focuses on a number of activities that highlight the importance and significance of the Small Business sector. Usually held in the third week of October, this event includes a Small Business Fair, free seminars, a major Womens Conference and a number of other activities.

6. **Support Programs**
The Centre and its staff are active in providing support to such private sector initiatives as the Canadian Council for Native Business, the YM/YWCA Job Generation Program and many others.

7. **Promotion/Advocacy**
The Centre is responsible for publishing the Small Business and Tourism Bulletin and co-ordinates most of the Trade Shows attended by the Business Development Section.

The Centre also acts as an advocate on small business issues and policy development.

Business Development

The objective of the Business Development is to improve the operational performance of small manufacturing and processing firms within the small business sector and to increase the level of economic activity, capital investment and job creation in this sector.

The staff development officers provided direct support to the small manufacturing sector in a broad range of functional business areas. Staff assisted companies in identifying opportunities that could be developed. The staff worked with many small companies to develop an appropriate development package utilizing programs such as the Venture Capital Program, Manufacturing Adaptation Program, Technology Commercialization Program and Department of Regional Industrial Expansion. Assistance was provided to many small manufacturers resulting in the creation of new jobs, an increase in sales, productivity and profitability.

Technology is impacting on all areas of business and the branch staff has worked with the small manufacturing sector to ensure that they are aware of the changes that are occurring and are taking the necessary action to remain competitive.

Manitoba Marketing Network, Inc.

The Manitoba Marketing Network, Inc. is a private/public partnership between members of Manitoba's business community and the Department of Business Development and Tourism. Its purpose is to provide practical marketing help to small business. Member executives, who are currently managing or operating successful businesses, provide personalized marketing advice and assistance to small and medium sized companies on a non-profit, volunteer basis.

Business persons in need of marketing advice are interviewed and then matched by the Department to a member executive with expertise in the appropriate area. One-on-one consultation is then provided, with follow-up assistance as required. One hundred and thirty-six small businesses benefited from the personalized service offered by the Manitoba Marketing Network during 1987/88.

In addition, an individual problem solving workshop was held in Winnipeg in October, 1987. Twenty-eight small businesses received personalized advice and assistance from 14 volunteer members during this event. Membership in the Network grew to 25 volunteer executives, including representation from Brandon, Dauphin, Selkirk, Winkler and Winnipeg.

The organizational leadership and practical business advisory component of this private public partnership is provided by respected members of Manitoba's business community. Members of the Network receive no remuneration for their services; their primary reward for providing this volunteer community service is a sense of helping others in a very individual and practical way.

The public sector participation in the partnership is facilitated through the Manitoba Department of Business Development and Tourism, which provides administrative and organizational services plus operational funding.

Regional and Community Development

The objective of Regional and Community Development is to provide counselling, advice and assistance to individuals, groups and communities who wish to undertake development projects, and to create permanent jobs within their communities and regions.

The focus of Regional and Community Development activities is with local economic development organizations in:

a) rural Manitoba
b) native communities
c) the Core Area of Winnipeg
d) special needs groups

The division functions through three operating units:

a) Regional Development Corporations
b) Community Economic Development Program
c) Remote Communities Economic Development Program

Program Activities

1. **Regional Development**
   The Regional Development Unit provides support to the Regional Development Corporations (RDCs). The RDCs are non-share capital corporations controlled by member municipalities and funded by municipal members, corporate sponsors and the Province. Total provincial funding for 1987/88 was $609,900.

   The six active RDC's are Central Plains Inc., Eastman Regional Development Inc., Interlake Development Corporation, Norman Regional Development Inc., Parkland Regional Development Inc., and Pembina Valley Development Corporation.

   The regional development corporations in Manitoba serve as facilitators to regional, community-based, economic planning and development. They also provide front line advice and consulting to business; play significant roles in the delivery of Provincial and Federal government programs; provide an information data base for business opportunity identification and; coordinate entrepreneurial development and training programs. The regional development

corporations assist Manitoba's rural cities, towns and municipalities to provide enhanced opportunity for business and employment, in order to maintain a viable rural economy.

In addition to the activities of the individual RDCs, this year saw the development of the Association of RDCs. The purpose of the Association is to enhance Manitoba's national and international identity and profile with respect to economic development. The association is doing this through their participation in exhibitions and trade shows (Vancouver, Montreal, Hanover) and through a joint advertising program in major trade magazines.

Discussions are continuing to stimulate a more diversified rural economy, following the signing of Federal/Provincial agreement with respect to government procurement.

2. **Community Economic Development**
The primary purpose of this unit is to assist community-based economic development organizations, ethno-cultural groups and special needs groups to assume responsibility for economic development via business-generating activities in their communities. Assistance in the areas of organizational development, preparation of community economic development strategies and the identification of new business opportunities and project management is provided. The unit works directly with the communities and also acts as a liaison between these communities and the relevant departments in both federal and provincial governments. As a new thrust for 1987/88 the unit has been providing technical and consultative services to organizations in urban and rural areas promoting women's entrepreneurial development.

Community Development Program
The Community Development Program, established in 1985, provides grants to communities or groups of communities who wish to assume responsibility for their socio-economic development. Major activities carried out under this program are organizational development and preparation of community economic development strategies. Program grants, to a maximum provincial contribution of $20,000, are matched on a 50/50 basis by the communities.

During the year, the Community Development Program provided funds to the following organizations to assist them in their economic development plans:

Super Six Development Corporation (N.W. Interlake)	$10,000
Winnipeg River Development Corporation (Lac du Bonnet)	$11,000
Thompson Industrial Commission	$20,000
Women Business Owners of Manitoba	$ 9,000

3. **Remote Communities Economic Development Program**
This program provides residents of communities in northern Manitoba with professional business advisory services in order to foster entrepreneurial activities and socio-economic development through local initiatives. Program staff are also involved in inter-departmental program and policy development activities aimed at improving the economic circumstances of northern and aboriginal people.

During the 1987/88 fiscal year, the three program staff provided personal business consulting assistance to 68 entrepreneurial clients in various northern communities in terms of feasibility analysis, business plan preparation and financing-agency applications. Numerous enquiries for information are assisted by telephone. In addition to consulting with entrepreneurs, staff have lead or contributed to economic planning and opportunity identification activities with 12 northern community councils, development corporations, resource-harvesting corporations, or aboriginal peoples' organizations. These community-based planning activities are on-going throughout the year and result in business enterprises being spun off as either corporate projects or individually-owned businesses.

Brandon and Dauphin Business Development Centres

The Brandon and Parkland (Dauphin) Business Centres provide services to help create a favorable socio-economic climate in Western Manitoba, and to assist the Community development organizations in becoming self-sufficient in the area of economic development.

Activities

The Centres' delivery of services and programs are structured to provide assistance in four areas: Business Information, Business Training and Development; Community Development; and Counselling Services.

The Centres' staff resources comprise four in Brandon: two consultants, one information officer and one administrative secretary; and one consultant in Dauphin.

1. **Business Information**
The Centres supplied business information in response to a total of 1,500 business and tourism enquiries. The information provided market research, financial planning, management and marketing planning to ensure successful plans for development of small private entreprises. These clients included individuals as well as development groups seeking resource material and business intelligence for venture planning.

The Centres serve in a supportive role to other Provincial Departments, Federal Government business services and municipal agencies. They delivered six information sessions during the year, providing knowledge of opportunities to new entrepreneurs, entrepreneurial women, youth and the agricultural community. Members of the latter group were interested in exploring means of self-employment as an option to provide further income.

2. **Business Training and Development**
   The Centres provided industry and special interest organizations with training in current business techniques and the opportunity to enjoy personal development.

   A survey of needs not being met by local or regional agencies was conducted in cooperation with local chambers of commerce and business development groups. Departmental resources and external professionals were utilized in conducting the survey.

   Seminars included a Manitoba Marketing Network Information session, Selling Techniques, Personnel Management, Computer DOS Training and Telemarketing. A total of 13 seminars in 12 communities were held serving total attendance of 387. A computer seminar co-sponsored with Infotech was also delivered.

   Special events include promotion of Small Business Week and the Western Manitoba Careers Symposium, Financial Services Seminar, Alana Probst Seminar, CKX-Consumer Spotlight television presentation.

3. **Community Development**
   The Community Development initiative served to maintain regional departmental presence, promote objectives and services through annual visitations to 35 community contacts in the regions. The development of Westman region's Community Profile updates also complemented this initiative.

   Visits encouraged community self-sufficiency by fostering vibrant local relationships to strengthen rural economic development. It is envisioned that our support will assist in creating local employment and income opportunities.

   The Rural Outreach Program includes sub-offices in Roblin, Swan River and Melita. Monthly visits to each of these communities were conducted to provide "hands-on" services and provide referral services for other deparments/agencies which complement our resources.

4. **Counselling Program**
   The Centre's Counselling Program provided consulting services to 368 businesses in service, retail, manufacturing and the tourism industry throughout the region. Emphasis on target groups was for specialized delivery of services. Consulting in the areas of financial/grant preparation, market analysis, marketing plans, production, personnel management, accounting/bookkeeping and assistance for technical/design were provided. Services were provided for the development and implementation of economic plans for communities. Centre staff coordinated plans for external consulting studies funded by government initiatives.

The Centres maintain a close working relationship with the following agencies and organizations:

- Westarc Group Inc.
  - Rural Transition Program
- Assiniboine Community College
  - Co-op Development
  - Business Seminars
  - Agri-Extension Programs
- Brandon Economic Development Board
- Brandon Chamber of Commerce
- Brandon University
- Venture Corporation of Brandon
- City of Brandon Recreation
- Federal Business Development Bank
  - CASE
- Manitoba Action Committee on the Status of Women
- Manitoba Metis Federation
- Agricultural Extension Centre
- Western Manitoba Chef's Association
- Entrepreneurs Club of Brandon
- Department of Municipal Affairs
- Boissevain Chamber of Commerce
- Town of Swan River
- Crocus Plains Regional Secondary School
- Elton Collegiate
- Manitoba Marketing Network
- Employment Services and Economic Security
- DOC Dauphin Opportunity Centre
- Rural Chambers of Commerce
- TIAM Westman/Parkland
- CEDF
- Selo Ukraina
- Dakota Ojibway Tribal Council
- Brandon/Dauphin/Swan River/Friendship Centres
- YMCA
- Brandon Secretarial Association
- Women for Professional Development
- Career Symposium
- Small Business Week Steering Committee
- Department of Agriculture - Home Economics
- Culture, Heritage & Recreation
- Employment Resource Centre
- Hardie & Company
- Manitoba Research Council
- Brandon Community Future Committee

Brandon 1991 Youth Baseball Committee
Area Agencies Committee
Business and Industrial Development Sub-Committee
Steering Committee - Tourism/Art/Culture/ Ethnic/Heritage
ACC Tourism Course
Turtle Mountain Dist. Cons. Plan
Virden Community Development Group
Birtle Community Development Group
Killarney Development Group

Venture Capital Program

The Venture Capital Program was formed in 1983 to assist small and medium sized businesses obtain equity capital for new start ups, expansions and working capital. A secondary but important objective is to bring the expertise of private investors to the small business.

Under the program, private investors and the Province purchase shares in a Venture Captial Company (VCC) on a 65-35 per cent basis. The VCC in turn invests in the equity of eligible small businesses. Qualifying businesses include manufacturing and processing, certain tourist operations and facilities, computer software production, research and development, commercial air and water transportation, welding and machine shops, services related to the agricultural and forestry industries and film production.

The program is administered by the department. A private sector advisory board assesses proposals for recommendations to the minister of the department.

Activities

During the period March 1987 to April 1988 seven VCC investments were approved totalling $1.5 million (Province - $540,000; private investors - $1 million) in small and medium Manitoba companies. Program totals for its five years of operation are 80 VCCs formed, 48 companies supported, total equity investment of $18 million (Province - $6.3 million).

Of the total funds provided through the program, 70% has been invested in the manufacturing and processing sector with the balance in research and development, computer software, farm equipment repair and tourist related projects.

The province's investments in two projects totalling $305,000 have been repaid. Twelve companies have closed and one reorganized under new ownership since the program's inception. Most of these firms were able to operate for a further one to two years following the VCC's investment, but were eventually forced to close — usually because the markets for their products either fell off in such sectors as agricultural equipment, or did not develop as anticipated.

Manufacturing Adaptation Program

The objective of the Manufacturing Adaptation Program, introduced in fall 1986, is to encourage both new and existing small Manitoba manufacturing and processing businesses to adapt advanced technology to their operations. The focus being to increase Manitoba's productivity, quality, competitiveness and exports, while ensuring that there is a minimal disruption to the existing work force.

Under the program, firms can receive assistance for technology adaptation studies which examine the feasibility of introducing high technology to their manufacturing and processing operations. These studies are cost-shared on a 50/50 basis with program funding to a maximum of $5,000. Assuming the project is feasible, businesses can receive five-year loans, to a maximum of $50,000 towards the purchase of high technology equipment. The first two years are interest-free, with the remaining three years at a reduced interest rate. Eligible businesses must be export-oriented or involved in inter-provincial trade or contemplating such involvement.

An integral part of the initiative involves the development and delivery of a series of skill building and technology awareness seminars and workshops, sponsored in cooperation with the Canadian Manufacturers' Association.

The program was developed in conjunction with the Canadian Manufacturers' Association to ensure the needs of the Manitoba manufacturing industry were met. Ongoing liaison is maintained with this industry group. A private sector advisory board assesses projects and provides recommendations to the Minister. In addition, the board provides policy inputs. The program was funded through the Manitoba Jobs Fund.

During the period April, 1987 to March, 1988 the Program approved 8 Technology Adaptation Studies in the amount of $25,345 and 21 Technology Equipment Loans in the amount of $967,100. The firms involved were from all areas of Manitoba and represent a number of sector areas including garment, plastic, metal fabricating, furniture and woodworking and granite processing.

The program in coordination with the Canadian Manufacturers' Association held a seminar on high technology during Small Business Week.

The response to this technology initiative has been good and the advisory board is impressed with the quality of applications.

Feasibility Assistance for Small Manufacturers Program

Feasibility Assistance for Small Manufacturers is a program designed to assist existing manufacturing companies and potential entrepreneurs with obtaining professional consulting services in conducting feasibility studies and preparing business plans. Costs of studies are shared on a 50-50 basis with the applicant. Staff development officers also provide counselling and support services.

In 1987/88, 14 applications were approved. The Provincial share of these costs was $26,448 and resulted in 84 new jobs being created.

Winnipeg Core Area Initiative Program

The objective of the Core Area Initiative Small Business Assistance Program is to encourage the establishment, expansion and upgrading of small businesses in designated key areas of Winnipeg's Core Area.

The program was designed, implemented and funded under the Canada-Manitoba-Winnipeg Tripartite Core-Area Agreement of 1981. The activity consists of three distinct program components with $2.8 million designated funding.

The three program components are as follows:
1. The Key Site Incentive Grant Program.
2. The Management Development and Business Planning Program
3. The Main Street Locational Program

The Manitoba Design Institute

The Manitoba Design Institute was established by the Government of Manitoba in 1963 by an Act of the Legislative Assembly. It is subject to the direction of the Minister of Business Development and Tourism and its members are appointed by the Lieutenant Governor in Council.

The general mandate of the institute is "planning, initiating and implementing programs directed at improving the design and quality of products manufactured in Manitoba.

The Manitoba Design Institute is comprised of a Board of Directors derived from various fields of endeavour including industry and commerce, design, engineering, marketing and the general public. The institute is served by an Executive Secretary/Design Consultant integrated into the Winnipeg Business Development Centre.

The institute provides design counselling services and consulting assistance for product, graphics and packaging design. Liaison with the Department's other branches, notably financial and marketing consulting through the Winnipeg Business Development Centre is also provided. Additionally, design counselling services are provided as required to clients participating in programs administered by the Department of Industry, Trade & Technology, the Manitoba Research Council, and the Rural Business Counselling Program.

Specifically, Manitoba Design Institute provides the following:

A. Through education:
   A comprehensive design library with specialized books, periodicals, journals and video material.

B. Through development assistance:
   Counselling services of a general nature
   Specialized expertise in product, graphics and packaging
   Consultation for preparing product development plans
   Referrals to private sector design professionals
   Information, guidance and assistance regarding possible federal and provincial product development assistance programs.

During the 1987/88 fiscal year the Manitoba Design Institute provided design support to over 180 clients in Winnipeg and rural Manitoba in the form of general information, advice and counselling.

Counselling services of a "one to one" nature provided to new and existing businesses accounted for 43% of total clients.

Clients by sector were as follows:

Retail	23
Service	16
Other (organizations)	2
Manufacturing	36

Clients in the manufacturing sector represented the following industries:

Food Processing	8	Electronics	2
Apparel	2	Health Care	2
Transportation	2	Furniture	2
Publishing	1	Light Manufacturing	17

Additionally, Design counselling in the area of retail merchandise presentation and retail store organization was provided to businesses involved in Rural Business Counselling Programs presented in St. Pierre/St. Malo and Swan River.

In keeping with the MDI commitment to create greater design awareness, the Institute has acquired video material related to design.

The majority of the material is aimed primarily at late secondary and higher education audiences and serves to illustrate the important role design plays in industry and commerce. This video resource, available now, is being expanded further and will be available through the Winnipeg Business Development Centre's Management Development & Training video library.

The Design Assistance for Small Projects (DASP) program which terminated in fiscal 1986/87 had one carry over commitment of $1,000 paid out in 1987/88.

The Manitoba Design Institute's agenda of new programs proposed in 1986, due to be implemented largely in early 1988 was abondoned due to budgetary constraints. Implementation of product development and marketing programs, seminars, and design related education programs are pending further review.

The Board of Directors met once in 1987 following the resignation of the Chairperson. As of March 31, 1988 there were 8 board members including the vice-chairperson serving the Institute. No new appointments have been made to the Board of Directors since 1986.

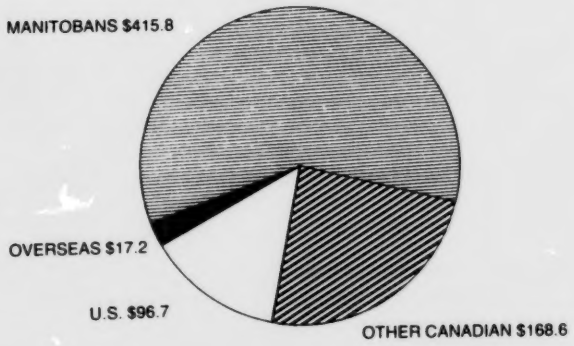
The expiry date for the most recent appointments is May 1988 while the remaining terms have expired although not resigned.

Travel Manitoba

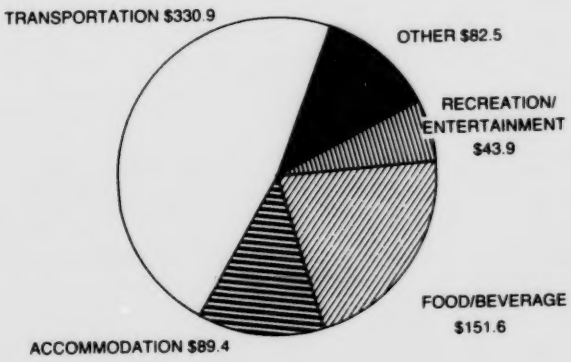
The role of Travel Manitoba is to provide support to the private sector in shaping the future development of the tourism industry in Manitoba. This is accomplished by representing and advocating tourism interests in the development of government policies, developing annual stategic and operating plans, initiating marketing and development programs.

During 1987, trips totalling 7,610,603 were made to and within Manitoba, resulting in tourism receipts of $698.3 million. Distribution of receipts by market area and sectors is as follows:

TOURISM RECEIPTS BY MARKET AREA
(millions of dollars)



TOURISM RECEIPTS BY SECTOR
(millions of dollars)



Tourism Marketing Section

The objective of the Tourism Marketing Section is to enhance tourism spending by increasing resident and nonresident visitors at a rate which improves Manitoba's share of travel markets.

Marketing Development

The Marketing Development section reviews, analyzes, evaluates and recommends the most effective use of resources for continuing, alternative and new programs. Additionally, it researchs and prepares the marketing portion of the tourism operational and strategic plans. The Department engaged an independent agency to consult with industry associations and to review the current marketing strategy and programs implemented by the Department. The resulting direction recommended by the agency included more emphasis on co-operative actions with industry, increased lead time in the planning cycle, a focus on the Minnesota market and introduction of a spokesperson concept for the advertising program.

The 1987/88 Marketing Plan was developed, taking into consideration economic opportunities, in concert with the tourism industry at a joint planning session of the Tourism Division and the Tourism Industry Assocation of Manitoba.

During the year, staff participated in a departmental strategic planning exercise which defined goals and objectives. Focus testing of the new advertising program in both the Minnesota and Manitoba market was conducted. In addition, a conversion study was done to determine the effectiveness of attendance at sport and vacation shows. This information was used to update and further develop the marketing plan.

Marketing Advertising

The objective of tourism advertising is to provide a strong awareness of Manitoba as a tourist destination, thereby generating inquiries about travel to Manitoba.

The 1987/88 advertising campaign placed a strong emphasis on Manitoba's attractions and recreational opportunities to foster an image of the province as a desirable vacation destination for out-of-province visitors and Manitobans alike.

Advertising featured the use of two slogans "Your World Next Door" in out-of-province markets and "We've Got It Great" within Manitoba. They were combined with vivid visuals to generate a clear identity for Manitoba. Consumer research during the campaign clearly showed a high degree of consumer retention and the development of a strong image of Manitoba as a vacation destination which features rural, wilderness,

urban and cultural attractions. Of particular interest to U.S. visitors is the growing awareness of Manitoba's ethnic diversity and related attractions, especially urban restaurants and festivals.

Greater advertising attention was focused on specialty markets to support other marketing initiatives being undertaken. Targeted advertising in trade and consumer magazines directed at outdoor adventure, fishing, travel agents and convention planners highlighted the specialty market orientation.

Advertising emphasis was directed to specific market demands, using a variety of media as highlighted in the following table.

TRAVEL MANITOBA GENERIC ADVERTISING — 1988

MARKET	Medium	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.
Minneapolis	TV Insert			■	■	■					
N. Dakota	Radio Insert Newspaper				■	■	■	■			
Manitoba	TV Radio Insert				■	■	■				
Sask.	Radio Insert Newspaper				■	■	■	■			
N.W. Ont.	Radio Insert Newspaper					■	■	■			

Marketing Promotions

The Marketing Promotions Program is responsible for direct consumer marketing activities as set in the tourism marketing plan.

During 1987/88, the promotional section participated in 15 different venues as listed:

a) General Sports Shows (6) - Chicago, Omaha, Kansas City, Minneapolis, Anaheim, St. Paul.
b) Specialty Angling Shows (3) - St. Louis, Minneapolis, and Fargo.
c) Domestic Venues (5) - Winnipeg Travel and Leisure Show, Centrex, Chamber of Commerce, Winnipeg Boat Show, Winnipeg RV Show
d) Travel Trade/Promotion Co-operative Shows (1) - Thunder Bay

Direct personal counselling was provided to approximately 62,300 potential visitors. There were direct requests for more than 83,000 pieces of literature. Activities undertaken at sports, angling, leisure and vacation shows generated over 16,500 requests for tourist information.

The Promotions Section organized and participated in eleven mall promotions throughout primary United States markets, accompanied by Manitoba hotels, attractions and tour operators. These events included meetings with travel agents and tour wholesalers to stimulate travel to Manitoba. The various mall promotions provided direct counselling to approximately 20,000 potential visitors and distributed over 50,000 pieces of promotional literature.

Staff provided direct and written counselling to potential travellers interested in visiting Manitoba. More than 61,000 inquiries for information were processed and bulk literature was dispatched to an additional 2,200 people.

Group Travel Marketing

The objective of the Group Travel Marketing program is to increase tourism revenue by promoting Manitoba as a desirable group tour and convention destination.

Travel Manitoba and Manitoba industry suppliers participated in major travel-industry conventions and marketplaces including Rendezvous Canada, Ontario Motorcoach Association, National Tour Association and the American Bus Association. Through these prime marketing and sales venues, direct contact was made with more than 250 companies in North America, Europe and the Orient. Most of these organizations have expressed interest in selling travel to Manitoba.

Promotions directed at travel agents were conducted in Chicago, Milwaukee, Minneapolis, Toronto, Dallas, Houston and Denver. Exploratory marketing work was also done in California through participation in the Anaheim Sports Show and direct sales calls in the southern California market.

Twenty-eight tour operators from Europe and North America were hosted on familiarization tours of the province. These tours enable group-tour professionals to see and experience Manitoba's attractions and products and to negotiate directly with industry suppliers. Twelve new tour packages to Manitoba resulted from these tours.

The group tour marketing program resulted in a 25% increase in the number of tours planned for the 1987 season.

In May of 1987, the Rendezvous Canada Marketplace held in Winnipeg was attended by approximately 80 international buyers and 100 Canadian tourism suppliers generating in excess of $300 million in tourism revenue for Canada.

The objectives of the meeting and convention program are to increase the number of meeting and conventions held in Manitoba, the number of attending delegates and the number of days that delegates spend in the province before and after meetings and conventions.

The meeting and convention program is a co-operative endeavor between Travel Manitoba and convention hotels, the Brandon and Winnipeg Convention and Visitors Bureaus, the Winnipeg Convention Centre and Tourism Canada.

Staff of the Group Travel Section and Industry suppliers marketed Manitoba's meeting and convention products at major international conventions and formal marketplaces. These included Tourism Canada programs in Chicago, Dallas, Houston, Austin and Washington, the annual marketplaces of the Institute of Association Executives, the American Society of Association Executives and Meeting Planners International.

In conjunction with Winnipeg Convention Centre and the Winnipeg Convention and Visitors Bureau, the Department participated in receptions in Ottawa for key meeting and convention influencers.

Assistance was provided to more than 300 organizations requiring counselling services, audio-visual assistance and delegate literature and promotional items for distribution.

The very successful Meeting Planners International Conference held in Winnipeg from June 8 to 10, 1987 has a future revenue generating potential of $10 to $15 million for Manitoba over the next five years.

In the 1987 calendar year, 59,738 delegates at 219 meetings and conventions in Winnipeg generated $33,400,000 direct spending.

Marketing: Support Services

The objective of the Marketing Support Services program is to produce tourist information and promotional publications and related marketing support materials which will directly support our advertising/marketing strategies.

The Support Services Section produces all Tourism publications and related promotional materials including written, photographic, display and audio-visual materials.

During 1987/88 the major thrust of the Support Services publications program saw a further realignment and refinement of the new tourist publications series. This led to the expansion of the Vacation Planner; the amalgamation of the accommodations and lodges publications; and linkage of the fishing adventure publication with a fully computerized edition of the annual master angler awards booklet.

With the introduction of the new publications series combined with changes in the advertising campaign, the demand for Travel Manitoba publications increased dramatically resulting in several reprints being required during the 1987 tourist season.

Distribution through departmental tourist information outlets and co-operative distribution with the Tourism Industry Association of Manitoba regional visitor information outlets accounted for more than seventy-five per cent of stocks. In addition, media in Canada and the U.S.A., as well as travel planners, tour operators, business and convention and meeting planners continued to use large quantities of Travel Manitoba publications during the past year.

An important information activity regularly undertaken by Support Services is the preparation and distribution of feature articles and press releases on Manitoba's diverse tourism attractions, events and festivals. These are distributed to a mailing list of approximately 1700 magazines, newspapers and tourism trade publications in Canada, the U.S.A. and abroad. In addition, a broad cross-section of electronic media are also contacted on a regular basis, targeting Manitoba as an exciting vacation destination for family and specialty visitors.

During 1987/88 the annual Writer-tour Program which is closely related to the Media Relations Program, continued to grow. The writer-tour program hosts international writers, photographers and electronic media journalists covering travel assignments throughout Manitoba. This program is cost-shared with the Manitoba tourism industry and Tourism Canada where applicable. Resulting stories of Manitoba appearing in Canadian, U.S.A. and international media are monitored by press clipping services. Coverage from the entire media relations/writer tour program during

1987/88 is to exceed several millions in advertising space cost equivalency.

Apart from the cash value of such coverage, the positive media response to Manitoba as an international vacation destination generates a very positive image for the province in national, U.S.A. and overseas markets.

During 1987/88, Support Services undertook development of a major video promotional film for Group Tour Marketing. This has been used extensively at tourism promotional shows and for convention bids in key Canadian and U.S.A. market locations.

Support Services is also charged with the responsibility of restructuring the department's Annual Report. This will be an ongoing responsibility of this section.

Tourist Information Services Section

The objective of the Visitor Information Service program is to encourage residents and visitors to increase their travel within the province through the provision of travel information and personal travel counselling.

At two permanent and seven seasonal tourist information centres, staff provided trip planning assistance to 79,242 inquirers in 1987, a figure which represents about 229,802 people. Two mobile information caravans attended 18 summer fairs, festivals and special events throughout the province and five U.S. locations where marketing services were provided.

Written and telephone inquiries generated 63,576 computerized responses, including 14,464 letters of reply. About two million pieces of travel-related literature were distributed in total.

Recorded telephone announcements were provided at the Legislative Building Travel Reception Centre's 24-hour visitor inquiry facility.

The Quality Assurance Program undertakes inspection, licencing and star-rating of transient accommodation facilities to ensure product quality and maintain consumer satisfaction. Staff made 550 inspections and investigated 55 consumer complaints.

Two specialized Travel Counsellor Market Training seminars were presented in communities sponsoring visitor information centres across Manitoba.

Human Resources Development Section

The objective of the Human Resources Development program is to coordinate the development and delivery of training programs for personnel in the hospitality industry in Manitoba.

Under the program, a Manitoba Hospitality Training Centre has been established at Red River Community College under the auspices of the Manitoba Hospitality Training Council. The Centre offers resource materials including audio-visual aids, technical manuals, publications and film equipment for use by hospitality personnel and operators.

A number of effective customer services training programs have been developed. They include a skills training program offered in conjunction with the Manitoba Hotel Association; a sanitation program offered in conjunction with the Manitoba Restaurant and Food Services Association; a career awareness program offered in conjunction with the Manitoba Careers Symposium; and hospitality management programs offered in conjunction with the Manitoba Hotel Association and the Manitoba Restaurant and Food Services Association. The programs are offered at various locations throughout the province. An additional program, Hospitality Plus, formerly offered through the Tourism Industry Association of Manitoba, is scheduled to be updated.

Planning and Research Section

The objective of the Planning and Research Section is to assist and encourage the orderly development of tourism facilities, services, attractions and provincial programs by providing tourism planning services and research coordination.

The section coordinated the preparation of the 1988/89 Travel Manitoba Marketing Plan and participated in departmental planning activities.

The Planning and Research Section supports the executive function in federal and provincial relations including the development of policy papers used for the Federal/Provincial Ministers of Tourism Conference held in Quebec City in June of 1987. Position papers were also developed for a subsequent Minister's Conference held in Calgary in March of 1988.

The section coordinated the following tourism research activities:

- Annual tourism traffic survey on primary highway access routes.
- Completion of an accommodations occupancy survey.

- Visitor reception centers survey.
- Monitoring survey of Minneapolis market.
- Market segment survey in Grand Forks and Minneapolis.

Section staff represented tourism interests on various intergovernmental and interdepartmental committees relating to recreational land use, federal/provincial tourism research, environment and economy and naming of provincial highways.

Planning staff managed the planning, research and evaluation components of Program 7 of the Canada/Manitoba Tourism Agreement, 1985-1990.

Tourism Development Section

The objective of the Tourism Development Section is to facilitate the orderly development, expansion and modernization of viable tourism attractions and facilities in Manitoba.

Tourism Development specialists provide direct consulting assistance to prospective and existing tourism operators in the province. This assistance for projects generally comprises project planning, land assembly, feasibility assessment, market analysis, regulatory requirements and financing, including liaison with financial institutions and various funding agencies. During 1987/88, assistance was provided to about 500 prospective and existing tourism operators in terms of upgrading, expansion and development planning. In addition, extensive consulting assistance is provided to 40-50 major tourism projects in primary destination areas.

Tourism Development staff not only provide direct assistance to potential developers in "packaging" projects for funding under the Canada/Manitoba Tourism Agreement, but also are heavily involved in identifying and accessing other external funding programs for tourism projects such as N.D.A., N.E.D.P. and S-ARDA.

Development staff are also involved in researching, designing and recommending financial assistance programs that are required for the tourism industry.

The development staff initiated and served on various intergovernment and interdepartmental boards and committees such as the Parks/Tourism Resort Development Committee, Wilderness Adventure/Special Market Study, Recreational Development Authority, York Factory Redevelopment Task Force, Lac du Bonnet Tourism Development Study and on the Technical Advisory Committee on the New Environment Act to ensure that tourism interests were taken into account in policy and program development.

The Development Section has become involved in the promotion of specific investment opportunities identified in the Rural Resort and Winnipeg Attractions studies. These will involve the preparation of site-specific investment opportunity brochures and the presentation of such information to interested investors and investment groups.

The Licensing Advisory Committee continued to advise the Minister on issuing or suspending licenses to operators of transient accommodation facilities. Development consultants provided administrative and analytical services to the Advisory Committee and co-ordinated departmental data for decisions on recommendations for new or expanded tourism facilities.

The Cultural and Heritage Initiatives Program provides direct consultative services in the area of product identification and improvement, development and marketing for new and existing festivals and events. Expansion and improvement of existing tourism events is encouraged where feasible and new event development is explored.

Two special events were assisted by the Section through the provision of production and organizational assistance. These were Rendezvous Canada and the Meeting Planners International Convention, both of which met with a high degree of success and contributed significantly to our tourism economy.

Liaison was maintained with other municipal, provincial and federal departments active in the fields of heritage, culture, and multiculturalism with respect to new funding initiatives and regulations applicable to events development in Manitoba.

A major initiative undertaken under the program in 1987/88 was the planning, organization and staging of the first ever Culture and Tourism Conference to be held in Canada. With 215 participants representing the multicultural, heritage, cultural and tourism industry sectors, the conference met with overwhelming enthusiasm.

Canada-Manitoba Tourism Development Agreement 1985-1990

The Canada-Manitoba Subsidiary Agreement on Tourism Development has the following objectives:

a) To stimulate the development of internationally recognized tourism destinations in Manitoba through the development of tourism attractions, events, and resort facilities;
b) To reduce Manitoba's tourism deficit through the stimulation of:
   i) increased numbers of visitors from international and inter-provincial markets;
   ii) increased opportunities for Manitobans to vacation within Manitoba; and
   iii) increased length of stay by non-resident visitors to Manitoba;
c) To stimulate increased private sector investment in tourism; and
d) To improve the productivity of selected sectors of the tourism industry.

The Agreement commits $30 million to the development of Manitoba's tourism industry and is cost-shared 50 percent by the federal Department of Regional Industrial Expansion and 50 percent by the provincial Department of Business Development and Tourism.

Under this Agreement, four destination areas have been designated as primary foci for clustered development and marketing support: Eastern Precambrian region; Lake Winnipeg Beaches/Hecla region; Winnipeg; and Riding Mountain/Duck Mountain region.

This Agreement also recognizes four specialty products for marketing and development attention: sports angling; wilderness adventure; naturalist self-education; and convention, meeting and incentive travel.

The Agreement Management Committee is responsible for the management and general administration of the Agreement. Private sector contribution to the administration of the Agreement is ensured through the appointment of a Tourism Agreement Advisory Board and the appointment of private sector representatives on each of the seven Program Review Committees.

The Agreement is divided into seven complimentary programs which are summarized as follows:

Program 1: Marketing Expansion

A total of $5 million has been allocated to this program which is designed to expand the inter-provincial and international markets for travel to Manitoba. Activities eligible for assistance under this program include:

a) the development and marketing of new package tours to Manitoba;
b) participation in travel trade or consumer market places;
c) co-operative advertising;
d) travel trade familiarization;
e) the marketing of meetings and conventions and of major special events;
f) activities that will improve the marketing skills of Manitoba tourist operators; and
g) improvements to Manitoba's tourist information system.

A total of 31 projects were approved during the 1987/88 fiscal year.

Program 2: Tourism Resorts, Attractions and Facilities

The objective of this program is to encourage the development and expansion of major private sector resorts, attractions and related facilities located in identified destination areas or projects serving specific specialty markets. In addition, public sector organizations and municipalities may apply for infrastructure support for specific private sector developments. A total of $8.0 million has been allocated for this program.

A total of 57 proposals have been received since the inception of the program. Funding assistance in the amount of $1,610,000 has been approved for 6 projects. The total budget has been committed to projects presently at various stages of development and assessment.

Program 3: Winnipeg Attractions

The $9.5 million allocated to this program is to provide incentives for the development of new major attractions or expansion of existing attractions in the City.

During 1987/88, assistance totalling $570,450 was approved for the Children's Zoo and the Chinatown Development projects. To date, four projects have been approved with total assistance of $2,225,450. Staff are currently analyzing proposals for major developments such as a permanent theme park for the Red River Exhibition and a major tourism attraction for the East Yards site.

Program 4: Rural Attractions

This program is designed to stimulate the development of major new attractions and the expansion of existing attractions in the designated destination areas, and projects serving specialty markets. Proposals will be received from the public sector, municipal authorities and not-for-profit organizations. A total of $4.0 million is available under this program.

In 1987/88, two feasibility studies with total assistance of $72,000 were approved. Another $700,000 was approved to fund expansion of two attractions — the Northern Heritage Centre in The Pas and the Mennonite Village Museum in Steinbach. A number of other project proposals have been received and are undergoing analysis for eligibility.

Program 5: Tourism Events

The $2 million in assistance available under this program is to support the organization, development and marketing of major new recurring tourism events in Manitoba, as well as supporting expansion of existing major recurring events.

Over 10 applications for funding assistance were received during 1987/88. Seven festival applications were approved for total assistance of close to $1.3 million. Four existing festivals, including Folklorama and the Winnipeg Folk Festival will receive funds for expansion. Funds were also approved to establish three exciting new festivals — the Food Festival, the Fringe Festival, and Women and the Arts.

Program 6: Industry Productivity Enhancement

The purpose of this program is to improve the productivity of Manitoba's tourism industry. Activities eligible for $0.5 million in support will be aimed at the development of human resources, the improvement of operating standards and systems, and adoption of new products and technology.

Three projects were approved in 1987/88, with total assistance of $106,580. To date, five projects have been approved with total assistance of $256,580.

Program 7: Administration, Strategic Research, Planning Evaluation and Public Information

Program 7 provides for the central administration, support services and public information costs of the Agreement, as well as program evaluation activities. The Program also funds tourism research and planning activities related to the Agreement.

Program staff monitored data collection procedures as identified under the evaluation framework of the Tourism Agreement. A computerized database, highlighting key performance variables of the Agreement, was updated on a regular basis.

The Program funded a Wilderness Adventure Specialty Market Study as well as a River Tubing Study which identified development and marketing opportunities for these products in Manitoba. Further, the Program funded a tourism opportunity study for the Lac du Bonnet area. Activities were initiated for the development of investment opportunity brochures designed to stimulate investment in new four-season resort facilities at key locations in rural destination areas.

Financial Information

Business Development and Tourism

Summary of Grants Paid — 1987-1988 Fiscal Year

1.	Design Assistance (Manitoba Design Institute)	$ 1,000.00
2.	Counselling Assistance to Small Enterprise (CASE)	2,750.00
3.	Small Business Incentive Payments (Feasibility)	26,447.98
4.	Small Business (Special Projects)	30,000.00
5.	Non-Profit Community Based Organizations	50,000.00
6.	Regional and Community Development Corporations	609,900.00
7.	Canadian Opportunities Investment Network (COIN)	46,300.00
8.	Travel Manitoba (Grants)	198,696.00
9.	Canada-Manitoba Tourism Agreement 1985-1990	757,752.69
10.	Manitoba Horse Racing Commission	4,998,984.93
11.	Destination Manitoba (Capital Grants)	375,000.00
12.	Tourism Agreement 1985-1990 (Capital)	2,061,900.00
13.	Winnipeg Core Area Initiative Payments	99,831.52
14.	Manufacturing Adaptation Payments	14,500.00
		$9,273,063.12

1.	Design Assistance (Manitoba Design Institute)	
	Black Eagle Tool Incorporated	$ 1,000.00
2.	Counselling Assistance to Small Enterprise (CASE)	
	Russell Video	$ 100.00
	Rennie's Solo Store	100.00
	Sperling Welding Incorporated	250.00
	Softwrite Documenting	100.00
	Village Wood Products	100.00
	Bob Fortin Contractors	100.00
	Wright Alan	100.00
	Ed & Linda's Solo Store	100.00
	Levundoski Grant	100.00
	Comet Motel	100.00
	Profecta Producting Marketing	100.00
	P&D Pizza	100.00
	Slim Tone Clinique	100.00
	Westman Plastics Limited	100.00
	Hamiota Building Supply	100.00
	Distinctive Collectables	100.00
	Elphinstone Kobassa Incorporated	100.00
	Rosetown Discount Centres Limited	100.00
	BJ's Variety Store	100.00
	J.W.G. Graphics	100.00
	Hazel Floral Company	100.00
	Harrison Gail	100.00
	Arthur's of Course	100.00
	Mulaire - Remillard, Lise, Remillard, Denis	100.00
	Clearspring Cleaners	100.00
	Tractor Supply	100.00
		$ 2,750.00
3.	Small Business Incentive Payments (Feasibility)	
	Thompson Plastics Limited	$ 2,000.00
	Superb Heli-Arc Welding	2,000.00
	Syntex Convertors Limited	1,000.00
	Sherwin Truck & Trailer Works Incorporated	2,925.00
	Wood Tech Components Manufacturing Limited	1,000.00
	Prairie Lobster Farms	1,750.00
	Instabox (Winnipeg) Limited	1,250.00
	Hamiota Ventures Incorporated	507.98
	Phason Electronics Limited	2,000.00
	75960 Manitoba Limited	1,925.00
	Wallace & Wallace Fences Limited	4,840.00
	Centennial Steel Products Limited	1,500.00
	Midland Concrete Products	1,250.00
	Technical Products International Limited	2,500.00
		$ 26,447.98
4.	Small Business (Special Projects)	
	Manitoba Marketing Network	$ 30,000.00

5. Non-Profit Community Based Organizations	
Super Six Development Corporation	$ 10,000.00
Thompson Industrial Commission	20,000.00
Winnipeg River Development Corporation	11,000.00
Women Business Owners of Manitoba Incorporated	9,000.00
	$ 50,000.00
6. Regional and Community Development Corporations	
Pembina Valley Development Corporation	$ 86,565.00
Central Plains Incorporated	95,110.00
East Man Regional Development Incorporated	88,275.00
Norman Regional Development Incorporated	98,275.00
Interlake Development Corporation Incorporated	78,100.00
Parkland Regional Development Incorporated	96,900.00
Manitoba's Economic Development Network	66,675.00
	$ 609,900.00
7. Canadian Opportunities Investment Network	
Manitoba Chamber of Commerce	$ 46,300.00
8. Travel Manitoba (Grants) (Tourism Association of Manitoba)	
Winnipeg Convention & Visitor's Bureau	$ 36,200.00
Brandon Convention & Visitor's Bureau	15,600.00
Central Office (Portage la Prairie)	59,900.00
Eastern Region (Inverness Falls Resort)	12,428.00
Western Region (Minnedosa)	12,428.00
Interlake Region (Teulon)	12,428.00
Pembina Valley Region (Morden)	12,428.00
Central Plains Region (Austin)	12,428.00
North of 53 (Thompson)	12,428.00
Parkland Region (Russell)	12,428.00
	$ 198,696.00
9. Canada-Manitoba Tourism Agreement 1985-1990	
Frontiers North Incorporated	$ 2,500.00
Canadian Heritage Tours	803.50
2163063 Manitoba Limited	5,000.00
Churchill Group	6,000.00
Winnipeg Convention & Visitor's Bureau	141,000.00
Tourism Promotions Committee	114,723.00
Manitoba 4-H Foundation Incorporated	6,300.00
World Youth Baseball 1991	10,000.00
Tourism Industry Association of Manitoba	48,805.00
Central Plains Region (Portage la Prairie)	17,571.42
Eastern Region (Lac du Bonnet)	17,571.42
Interlake Region (Arnes)	17,571.42
North of 53 Region (Lynn Lake)	17,571.42
Parkland Region (Dauphin)	17,571.42
Pembina Valley Region (Morden)	17,571.42
Western Region (Minnedosa)	17,571.42

Contemporary Dancers	22,500.00
Canadian A-World Science Fiction Convention Bid Incorporated	1,500.00
Downtown Winnipeg Association	4,885.68
Harfred Productions of Canada Limited	16,129.82
Red River Exhibition Association	5,000.00
Winnipeg Folk Festival	80,000.00
Valley Agricultural Society	30,000.00
Festival du Voyageur	28,300.00
Women and the Arts (Manitoba) Incorporated	80,000.00
Manitoba Hospitality Training Council Incorporated	17,000.00
Lac du Bonnet Regional Development Committee	14,305.75
	$ 757,752.69
10 Manitoba Horse Racing Commission	$4,998,984.93
11. Destination Manitoba (Capital Grants)	
Valley Agricultural Society	$ 375,000.00
12. Tourism Agreement 1985-1990 (Capital)	
Nejalini Lodge Limited	175,000.00
North Portage Development Corporation	950,000.00
The City of Winnipeg	300,000.00
Manitoba Development Corporation (Inverness Falls Resort)	35,000.00
Child's Lake Lodge & Outfitting	40,000.00
Winnipeg Chinatown Development (1981) Corp.	70,200.00
Northern Heritage Centre	75,000.00
Elkhorn Ranch & Resort Ltd.	412,500.00
Dyregrov & Burgess	4,200.00
	$2,061,900.00
13. Winnipeg Core Area Initiative Payments (Small Business Assistance Program)	
la Tour Eiffel Patisse Francaise Ltd.	1,500.00
Pamela Ainslee Collections Incorporated	2,000.00
V. Koren & Sons Limited	12,388.49
Industrial Process Design Corporation Limited	8,100.00
City Radiator Service Limited	2,160.27
The Original Fashion Shop	2,478.60
Todaschuk Sisters Ukrainian Boutique/ Sylvia's Silhouette Studio	293.30
Selkirk Furniture Upholstery & Supply	10,043.86
City Wide Appliance and Studio 202	3,265.30
Provencher Appliances	3,998.85
Couture Motors Limited	4,000.00
454 Central Park West Limited and the Grand Western Canadian Screen Shop and Glenn Finley	4,368.06
Repko Fine Foods Limited	6,000.00
Korban Funeral Chapel, Incorporated	12,500.00
House of Travel Limited	1,500.00
Yee Investments Limited	3,000.00
Golden Hand Jewelry	511.50

Family Hamburger House Limited	12,472.29
K-West Distributors Limited	1,500.00
Dragon's Den	1,000.00
Veteran Furrier	3,000.00
Fontaine Electric Company Limited	3,751.00
	$ 99,831.52

14. Manufacturing Adaptation Payments

Faroex Limited	$ 4,500.00
Love Enterprises	5,000.00
Raber Togs Manufacturing Company	5,000.00
	$ 14,500.00

Revenue and Expenditure Summary

Business Development and Tourism

Comparison of 1987-88 Actual Revenue to 1987-88 Printed Estimates

Revenue Source	1987/88 Actual	1987/88 Estimate	Variance Over (Under)	Explanation Number
CURRENT OPERATING PROGRAMS				
Government of Canada				
Tourism Agreement — Destination Manitoba	$ 36,900	$ 27,000	$ 9,900	
Tourism Agreement 1985-1990	955,400	1,188,300	(232,900)	1
Total	992,300	1,215,300	(223,000)	
CURRENT OPERATING PROGRAMS				
Other Revenue				
Travel Manitoba	17,600	15,500	2,100	
Sundry	74,100	75,800	(1,700)	
Total	91,700	91,300	400	
REVENUE RELATED TO CAPITAL ASSETS				
Government of Canada				
Tourism Agreement — Destination Manitoba	225,000	225,000	—	
Tourism Agreement 1985-1990	1,031,000	1,100,000	(69,000)	2
Total	1,256,000	1,325,000	(69,000)	
TOTAL REVENUE	$2,340,000	$2,631,600	$(291,600)	

Explanatory Notes

1. Underexpenditure due to delays in project approvals.
2. Underexpenditure in capital assets appropriation as projects were delayed in obtaining formal approval.

Business Development and Tourism

Comparison of 1987-88 Actual Revenue to 1986-87 Actual Revenue

Revenue Source	1987/88 Actual	1986/87 Actual	Variance Over (Under)	Explanation Explanation Number
CURRENT OPERATING PROGRAMS				
Government of Canada				
Tourism Agreement — Destination Manitoba	$ 36,900	$ 113,600	$(76,700)	1
Tourism Agreement — 1985-1990	955,400	680,400	275,000	2
Total	992,300	794,000	198,300	
CURRENT OPERATING PROGRAMS				
Other Revenue				
Travel Manitoba	17,600	14,100	3,500	3
Sundry	74,100	54,400	19,700	4
Total	91,700	68,500	23,200	
REVENUE RELATED TO CAPITAL ASSETS				
Government of Canada				
Tourism Agreement — Destination Manitoba	225,000	1,716,000	(1,491,000)	5
Tourism Agreement — 1985-1990	1,031,000	352,700	678,300	6
Total	1,256,000	2,068,700	(812,700)	
TOTAL REVENUE	$2,340,000	$2,931,200	$(591,200)	

Explanatory Notes

1. Decrease due to finalization of the program in fiscal year 1987/88.
2. Increased activity in Market Expansion, Tourism Attractions and Industry Productivity.
3. Increase in the number of licence fees issued in 1987/88.
4. Refund on federal excise taxes for tourism promotion for 48.7 and decrease in registration fees for seminars.
5. Decrease due to finalization of program in fiscal year 1987/88.
6. Accelerated delivery of Tourism Agreement 1985-1990 realized increased Revenue.

Business Development and Tourism

Budgeted vs Actual Expenditure Comparison

Fiscal Year 1987-88

Organization Unit	1987-88 Staff Years	1987-88 Printed Vote	Enabling Vote and Transfers	1987-88 Adjusted Vote	1987-88 Actual Expenditures	Encumbered Unexpended	Balance Unexpended
CURRENT OPERATING EXPENDITURES							
Executive Support	4.26	$ 192,100	$ 32,500	$ 224,600	$ 223,500	$	$ 1,100
Strategic Planning	3.00	152,900	(13,600)	139,300	105,600		33,700 (1)
Communications	2.00	216,400	(14,300)	202,100	149,900		52,200 (1)
Small Business and Regional Development	44.00	3,464,100	26,800	3,490,900	4,272,800		(781,900) (4)
Travel Manitoba	49.21	4,465,000	45,220	4,510,220	4,419,700		90,520 (1)
Canada-Manitoba Tourism Agreement — Destination Manitoba	—	45,000	16,500 (10,200)	61,500	61,500		—
Canada-Manitoba Tourism Agreement — 1985-1990	15.26	2,061,300	515,300 En	2,566,400	1,962,600		603,800 (2)
Manitoba Horse Racing Commission	—	5,605,500	(21,720)	5,583,780	4,999,000	200,000	384,780 (3)
TOTAL OPERATING EXPENDITURES	118.21	16,202,300	576,500	16,778,800	16,194,600	200,000	384,200
EXPENDITURES RELATED TO CAPITAL							
Capital Grants:							
Canada-Manitoba Tourism Agreement — Destination Manitoba		375,000		375,000	375,000		
Canada-Manitoba Tourism Agreement — 1985-1990		1,760,000	440,000 En	2,200,000	2,061,900		138,100 (2)
DEPARTMENT TOTAL	118.21	$18,337,300	$1,016,500	$19,353,800	$18,631,500	$200,000	$522,300

1. Staff Vacancies.
2. Project Approval Delays.
3. Decrease in handle for Thoroughbreds and Standardbreds from Estimate.
4. Increase of $1.0 million to establish a Venture Capitol Program allowance for doubtful accounts offset by a $218.1 surplus resulting from staff vacancies.

Business Development and Tourism

Actual Expenditure Comparison

Fiscal Year 1987-88 vs Fiscal Year 1986-87

Organization Unit	1987-88 Actual Expended	1986-87 Actual Expended	Variance Over (Under)	Explanation No.
CURRENT OPERATING EXPENDITURES:				
Executive Support	$ 223,500	$ 162,000	$ 61,500	1
Strategic Planning	105,600	134,200	(28,600)	2
Communications	149,900	234,700	(84,800)	3
Small Business and Regional Development	4,272,800	3,177,500	1,095,300	4
Travel Manitoba	4,419,700	4,237,800	181,900	5
Canada-Manitoba Tourism Agreement — Destination Manitoba	61,500	199,900	(138,400)	6
Canada-Manitoba Tourism Agreement — 1985-1990	1,962,600	1,410,400	552,200	7
Manitoba Horse Racing Commission	4,999,000	4,817,800	181,200	8
TOTAL OPERATING EXPENDITURES	16,194,600	14,374,300	1,820,300	
EXPENDITURES RELATED TO CAPITAL:				
Capital Grants:				
Canada-Manitoba Tourism Agreement — Destination Manitoba	375,000	2,883,100	(2,508,100)	9
Canada-Manitoba Tourism Agreement — 1985 - 1990	2,061,900	700,000	1,361,900	10
DEPARTMENT TOTAL	$18,631,500	$17,957,400	$ 674,100	

1. Increased travel and no staff vacancies.
2. Reduction of data management costs and staff vacancies.
3. Reduction due to staff vacancy and writers fees.
4. Established allowance for doubtful accounts for Venture Capital Program and increased staffing complement re: Business Development Loan Program and Northern Remote Communities.
5. Increased staffing and travel related costs.
6. Reduction due to finalization of program.
7. Increased in cost shared support in Marketing Expansion and Tourism Activities.
8. Increased support through wagering.
9. Reduction due to finalization of program.
10. Increased cost shared support to Industry.

Business Development and Tourism

Summary Expenditure Budget Information

Printed Vote Fiscal Year 1986-87			Printed Vote Fiscal Year 1987-88	
SY's	$		SY's	$
		CURRENT OPERATING EXPENDITURES:		
4.26	195,200	Executive Support	4.26	192,100
3.00	156,000	Strategic Planning	3.00	152,900
2.00	222,900	Communications	2.00	216,400
38.00	3,331,200	Small Business and Regional Development	44.00 (1)	3,464,100 (1)
50.21	4,486,200	Travel Manitoba	49.21 (2)	4,465,000
	200,000	Canada-Manitoba Tourism Agreement — Destination Manitoba		45,000 (3)
15.26	1,488,700	Canada-Manitoba Tourism Agreement — 1985 - 1990	15.26	2,061,300 (4)
	4,020,100	Manitoba Horse Racing Commission		5,605,500 (5)
113.21	14,100,300	TOTAL OPERATING EXPENDITURES	118.21	16,202,300
		EXPENDITURES RELATED TO CAPITAL:		
		Capital Grants:		
	2,951,400	Canada Manitoba Tourism Agreement — Destination Manitoba		375,000 (3)
	560,000	Canada Manitoba Tourism Agreement — 1985-1990		1,760,000 (4)
113.21	17,611,700	DEPARTMENT TOTAL	118.21	18,337,300

1. Two positions added for Business Development Loan Program and four positions added for Northern Remote Communities.
2. Reduction of term position re Audio Visual Trade-off.
3. Finalization of program.
4. Increase in cost-shared support to Industry.
5. Increased wagering on Thoroughbreds-Standardbreds.

Business Development and Tourism Department

Department Staffing Analysis

Fiscal Year 1987-88

EXECUTIVE SUPPORT
- Minister — Hon. A. Mackling
- Deputy Minister — B. Bernhard
- 3 Administrative Secretaries

STRATEGIC PLANNING
- 1 Senior Research Analyst
- 1 Research Economist
- 1 Planning Assistant

COMMUNICATIONS
- 1 Director — Vacant
- 1 Consultant

SMALL BUSINESS AND REGIONAL DEVELOPMENT
- 1 Assistant Deputy Minister — L.H. Tough
- 4 Directors
- 3 Managers
- 1 Industrial Design Officer
- 7 Development Officers
- 1 Planning Consultant
- 1 Administration Officer
- 1 Information Officer
- 1 Project Officer
- 15 Business Consultants
- 5 Administrative Secretaries
- 2 Clerk-Typists
- 2 Clerks

TRAVEL MANITOBA
- 1 Assistant Deputy Minister — R.W. Yuel
- 3 Directors
- 5 Managers
- 6 Marketing Officers
- 3 Development Consultants
- 4 Travel Counsellors
- 1 Marketing Analyst
- 1 Storekeeper
- 2 Quality Control Officers
- 1 Quality Assurance Co-ordinator
- 3 Computer Programmers and Operator
- 1 Senior Tourism Planner
- 1 Planning Analyst
- 1 Information Writer
- 1 Training Co-Ordinator
- 15 Administrative and Secretarial Support

Canada-Manitoba Tourism Agreement 1985-1990
- 1 Manager
- 2 Planning Analyst
- 2 Project Officers
- 3 Marketing Officers
- 4 Consultants
- 3 Administrative and Secretarial Support